

## **NOTE 20 – FUND DEFICITS**

### **A. Primary Government**

#### **Governmental Funds**

The Combined Environmental Protection Bond Fund, a special revenue fund, had a fund balance deficit of \$68.4 million. The deficit was caused by expenditures for projects for which bonds have not been issued.

The Combined Recreation Bond Fund – Local Projects, a special revenue fund, had a fund balance deficit of \$.4 million. The deficit was caused by expenditures for projects for which bonds have not been issued.

The Advance Financing Funds, a capital projects fund, had a fund balance deficit of \$60.2 million. The deficit was caused by expenditures for projects for which bonds have not yet been issued and for expenditures incurred to improve State-owned sites that have not been sold.

The State Building Authority, a capital projects fund, had a fund balance deficit of \$73.8 million. The deficit was caused by

amounts due to the Advance Financing Funds for reimbursable expenditures for which bond or commercial paper proceeds have not yet been received.

#### **Proprietary Funds**

The Office Services Revolving Fund, an internal service fund, had a net asset deficit of \$.6 million. The deficit resulted because rates charged were insufficient to cover expenses incurred. The rates were increased in fiscal year 2003, to eliminate the deficit.

### **B. Discretely Presented Component Units**

All discretely presented component units have positive net asset balances as of September 30, 2002, with the exception of the Michigan Broadband Development Authority (MBDA). The MBDA fund deficit was \$1.4 million at September 30, 2002. The deficit was caused by expenses for projects for which no corresponding revenue was received.